India between the 22nd—24th October, 2005, to pursue the areas of bileteral cooperation that had emerged from Petroleum Minister's visit earlier. During this visit, besides, delegation-level talks, company-level discussions were also held.

Demand for petroleum products

†1484. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that indigenous production as well as imports are required in order to meet the demand of petroleum and other products related with it in the country;

(b) if so, the average percentage of demand being met through indigenous production and import during last three years; and

(c) whether Government have formulated any scheme to meet this demand in the country through indigenous production only; if so, the time bound target in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) About three-fourths of the national demand for crude oil in terms of refinery throughput is met through imports. Details regarding year-wise production, import and consumption of crude oil during the last three years from 2002-03 to 2004-05, are given below:—

Item	2002-03	2003-04	2004-05
Crude Oil (Million Tonnes)			
Indigenous Production	33.044	33.373	33.901
Imports	81.990	90.430	95.860
Consumption (In terms of refinery crude throughput)	112.560	121.840	127.120
Indigenous production as percentage consumption	29.36	27.39	26.67

†Original notice of the question was received in Hindi.

In so far as domestic production of petroleum products is concerned, the industry has become a net exporter in recent times. The consumption and production of petroleum products during the last three years, year-wise is as follows:

Year	Consumption ('000 MT)	Production ('000 MT)	Production as % of consumption
2002-03	1,04,126	1,08,674	104.4
2003-04	1,07,751	1,17,641	109.2
2004-05	1,11,634	1,22,749	110.0

However, due to high growth in the consumption of LPG over the last few years, the indigenous production of LPG has fallen short of demand. To meet the shortfall, LPG is being imported by oil companies. Also, due to quality considerations, some petroleum products are also being imported. The particulars are as follows:

Year	LPG Imports ('000 MT)	Total Imports ('000 MT)
2002-03	1,073	7,228
2003-04	1,708	8,001
2004-05	2,334	8,828

(c) With the growth of the Indian economy, the demand for petroleum and petroleum products is increasing. Various measures are-being taken to substantially accelerate exploratory activities for enhancing domestic oil and gas production. These measures include the following:—

(i) increasing exploration efforts through the New Exploration Licensing Policy (NELP). Under NELP, 108 exploration blocks have been awarded to National Oil Companies, foreign companies and private/joint venture companies through International Competitive Bidding. This includes 18 Exploration Blocks recently awarded in the fifth round of NELP;

(ii) improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/lmproved Oil Recovery (IOR) schemes. In particular, Oil and Natural Gas Corporation Ltd. (ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;

(iii) exploring new areas, especially in deep waters and difficult frontier areas, as also the deeper layers of already producing fields;

(iv) developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over and stimulation operations, drilling of wells etc. in producing areas; and

(v) acquiring equity oil and gas from abroad.

The refining capacity of the country which was 127 MMT as on 1.04.2005 is expected to increase to 138 MMT by next year as a result of expansion in the capacity of existing refineries and setting up of a few new refineries.

Rationalisation of kerosene subsidy

1485. SHRI B.K. HARIPARASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether in view of short recovery from kerosene touching Rs. 13.00 a litre and its diversion becoming drain on Oil PSUs, Government proposed to take the above poverty line card holders out from the purview of subsidies;

(b) whether such a proposal when acted upon will effect in a saving of 41.2 per cent of the present kerosene subsidy bill; and

(c) what are the other salient recommendations of the NCAER study report on the rationalization of kerosene subsidy?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) With a view to assessing the genuine demand requirement of kerosene in different States/UTs, in